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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
Debtors.	: (Jointly Administered)
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**SUPPLEMENTAL DECLARATION AND  
DISCLOSURE STATEMENT OF MAÎTRE MARC  
KLEYR ON BEHALF OF KLEYR GRASSO ASSOCIES**

Maître Marc KLEYR, *Avocat à la Cour*, residing professionally at 122, rue Adolphe Fischer in L-1521 Luxembourg, Grand-Duchy of Luxembourg, deposes and says as follows:

1. I am a lawyer admitted to the Luxembourg Bar Association and managing partner of KLEYR GRASSO ASSOCIES, located at 122, rue Adolphe Fischer in L-1521 Luxembourg, Grand-Duchy of Luxembourg (the "Firm").
2. On November 17, 2008, I executed an affidavit and disclosure statement (the "OCP Declaration") [Docket No. 1547] in support of the retention of the Firm as an ordinary course professional by Lehman Brothers Holdings Inc. and its affiliated debtors in the above-captioned chapter 11 cases (together, the "Debtors"). The Firm was retained to serve as local

counsel in Luxembourg with respect to insolvency and corporate law issues and questions in relation to Luxembourg direct or indirect subsidiaries or affiliates of the Debtors.

3. On March 2, 2010, the Debtors filed an Application Pursuant to Sections 327(e) of the Bankruptcy Code and Rule 2014 of the Bankruptcy Rules for Authorization to Employ Kleyr Grasso Associates as Special Counsel, *Nunc Pro Tunc* to June 1, 2009 (the “Application”)<sup>1</sup> [Docket No. 7360], together with copies of my declaration in support thereof (the “2010 Declaration”).<sup>2</sup> By order, dated March 25, 2010, the United States Bankruptcy Court for the Southern District of New York granted the Application [Docket No. 7825].

4. On May 3, 2011, I executed a supplemental declaration and disclosure statement (the “Billing Rates Declaration”) [Docket No. 16534] supplementing the Application and the 2010 Declaration, pursuant to Federal Rule of Bankruptcy Procedure 2014.

5. This declaration (the “Supplemental Declaration”) supplements the Application, the 2010 Declaration and the Billing Rates Declaration pursuant to Federal Rule of Bankruptcy Procedure 2014.

6. The primary purpose of this Supplemental Declaration is to make the additional disclosures that the Firm has been engaged as local counsel in Luxembourg (i) by Lehman Brothers Merchant Banking Associates IV LLC, a Delaware limited liability company, LB I Group, Inc., a Delaware corporation, Lehman Brothers Cayman GP Ltd., a company organized under the laws of the Cayman Islands, and Lehman Brothers Private Equity Advisers L.L.C., a Delaware limited liability company, (all together the “Sellers”) as per engagement letter dated June 17, 2010 to provide legal services with respect to the defense of a claim that has arisen in connection with certain indemnification obligations under a purchase agreement dated

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<sup>1</sup> Capitalized terms used but not defined herein have the meaning ascribed to them in the Application.


<sup>2</sup> The 2010 Declaration incorporates the OCP Declaration by reference.

April 10, 2010 for the sale of certain Lehman Brothers Merchant Banking entities and assets (the "Claim"), which has been initiated by Quorum Capital Partners S.L., a company governed by the laws of Spain, against Trilantic Capital Partners IV (Europe) S.C.A., a Luxembourg investment company in risk capital (*société d'investissement en capital à risque*), and its General Partner, Trilantic Capital Partners IV Europe Lux GP S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*), (the "Trilantic Litigation"), and is currently pending in the Luxembourg courts (the "First Engagement"); (ii) by LBREP III Sun & Moon S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*), ("LBREP III") as per engagement letter dated July 12, 2010 in relation to legal aspects of the required supplemental financing with respect to the operations, financing obligations and development of the French law governed indirect subsidiaries of LBREP III, i.e. Résidences de la République S.A.S. and Commerces de la République S.A.S. (the "Subsidiaries"), (the "Second Engagement"); (iii) by LB Europe Holdings S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*), ("LB Holdings") as per engagement letter dated July 12, 2010 in relation with the contemplated acquisition by LB Holdings of the mortgage loans granted in 2008 by LEHMAN BROTHERS BANKHAUS AKTIENGESELLSCHAFT i. Ins. to the Subsidiaries (the "Third Engagement"); (iv) by Luxembourg Trading Finance S.à r.l., a Luxembourg private limited liability company (« *société à responsabilité limitée* »), ("Lux Trading") as per engagement letter effective as of August 1, 2010 to provide advice and to assist in any Luxembourg legal matters referring to or affecting in any way the Luxembourg corporate aspects, including but not limited to eventual corporate governance with respect to Lux Trading (the "Fourth Engagement"); (v) by Luxembourg Finance S.à r.l., a Luxembourg private limited liability company (« *société à responsabilité limitée* »), ("Lux Finance") as per engagement letter effective as of August 1, 2010 to provide advice and to assist in any Luxembourg legal matters

referring to or affecting in any way the Luxembourg corporate aspects, including but not limited to eventual corporate governance with respect to Lux Finance (the “Fifth Engagement”); and (vi) by Lehman Brothers Luxembourg Investments S.à r.l., a Luxembourg private limited liability company (« *société à responsabilité limitée* »), (“LBLI”) as per engagement letter effective as of August 1, 2010 to provide advice and to assist in any Luxembourg legal matters referring to or affecting in any way the Luxembourg corporate aspects, including but not limited to eventual corporate governance with respect to LBLI (the “Sixth Engagement”). All of the aforementioned engagements are with non-Debtors, that are under the direct or indirect control of the Debtors, and such representations are not adverse to the Debtors with respect to the matters for which the Firm has been retained.

7. Further, this Supplemental Declaration is to make additional disclosure that all fees and expenses with respect to the engagements described herein under precedent paragraph 3 (i) to (vi) will be invoiced to and paid directly by, in case pertaining to (i) the First Engagement, the Sellers, (ii) the Second Engagement, LBREP III, (iii) the Third Engagement, LB Holdings, (iv) the Fourth Engagement, Lux Trading, (v) the Fifth Engagement, Lux Finance, and (vi) the Sixth Engagement, LBLI, and in none of aforementioned cases by Lehman Brothers Holdings Inc. and its related debtors in the above referenced chapter 11 cases.

8. Except as specifically set forth herein, this Supplemental Declaration does not modify the statements in the Original Declaration, the 2010 Declaration and the Billing Rates Declaration. I will supplement this Supplemental Declaration to the extent additional relevant information becomes available during the pendency of these cases.

A handwritten signature in black ink, appearing to read 'MK', is written over a horizontal line.

by Marc Kleyr  
Managing Partner  
Kleyr Grasso Associates